



City of Hudson, Ohio

Staff Report With Text

File #: 17-95 **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 5/30/2017 **In control:** City Council

On agenda: 6/20/2017 **Final action:** 6/20/2017

Title: A RESOLUTION AUTHORIZING THE EXECUTION OF A REMAINING REQUIREMENTS ENERGY SUPPLY SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC. ("AMP").
Executive Summary: In order to satisfy the City's power requirements American Municipal Power (AMP) provides power to the City of Hudson from a portfolio of energy resources. As these fixed resources do not provide the City's total power requirements, there are remaining requirements that need to be purchased. In taking full advantage of historically low energy prices, the City is currently under power purchase agreements with AMP to purchase remaining required power for 2014 through 2018 & 2019 through 2020. This Resolution will authorize an agreement from 2021 through 2024 allowing AMP to continue to secure remaining power requirements at competitive market pricing for the City.

Sponsors: David A. Basil

Indexes: Public Works - Electric

Code sections:

Attachments: 1. Power Source % 2016, 2. 2021-2024 Remaining Requirements Energy Schedule, 3. 2021-2024 Remaining Requirements Draft Legislation from AMP, 4. AMP Remaining Requirements History and Summary, 5. Resolution No. 17-95

Date	Ver.	Action By	Action	Result
6/20/2017	1	City Council	to suspend the rule requiring three readings	Pass
6/20/2017	1	City Council	adopted with rule suspension	Pass

A RESOLUTION AUTHORIZING THE EXECUTION OF A REMAINING REQUIREMENTS ENERGY SUPPLY SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC. ("AMP").

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Legislative History

Ordinance 14-76: authorization to enter into an Energy Purchase Power Supply Schedule with AMP for 2014-2018.

Ordinance 16-13: first amendment to the 2014-2018 Energy Purchase Power Sales Schedule to extend agreement for 2019-2020.

Purpose & Explanation

With the current remaining requirements agreements, AMP is purchasing power from market service providers. The provider is then required to deliver that power at the agreed upon price regardless of the amount of power the City will need to meet its remaining requirements. Remaining required power accounts for approximately 18%-20% of the City's overall power needs and satisfies the system's peak loads. The current term of the remaining requirements agreements are June 1, 2014 through December 31, 2018 & January 1, 2019 through December 31, 2020 at \$46.40 per MWh and \$43.15 per MWh respectively. Each time period is block of power secured.

With market energy prices continuing to remain low, AMP is recommending that the current term be extended to include the years 2021 through 2022. The City's power consultant Mr. John Courtney is advising a term of 2021-2024 in light of the low market pricing. This allows the City to continue to take advantage of low power markets further out for its remaining requirements. All other terms of the schedule would remain unchanged.

An attachment of Hudson's current energy resources and associated percentages has been attached for your review.

Timing Considerations

Upon City Council approval, staff will execute the remaining requirements contact for 2021 through 2024

Fiscal Impact

☒ Currently Budgeted
☐ Supplemental Appropriation Required
☐ Appropriation Not Required.

Suggested Action

Staff recommends City Council approve the Resolution authorizing the execution of an agreement for the 2021-2024 Energy Purchase Power Sales Schedule with American Municipal Power, Inc. ("AMP") at a price not to exceed \$44.00 per MWh.

Submitted by,

Jane Howington, City Manager

Frank J. Comeriato, Asst. City Manager - Operations